The UK must increase the quality and quantity of workplace training as part of the strategy to move out of recession

blog admin

Unemployment has recently seen a slight fall but joblessness still plagues the long-term unemployed and young people. **Tom Wilson** *argues that the UK should look to German apprenticeships schemes and training programmes if it is to make the vital link between investment in skills and growth.*

The much dreaded double-dip recession is upon us and economic confidence remains very weak. With the jobless figures remaining very high, despite a small fall in the last quarter, unemployment remains a huge problem, especially among young people and the long-term unemployed. This puts a focus on the need for growth and jobs – an area that looks like being the main political topic for the rest of this Parliament and beyond – but also the critical need for skills.

Questions that should be part of that debate are: what are the values of skills? What is training actually worth? The value attached to training both for the workforce and for employers is important if we are to ensure that investment in this area is taken seriously.

Unionlearn and the TUC have just returned from a visit to Berlin to look at the German Skills System. The TUC invited the skills minister, John Hayes, to see what can be learnt from their approach to skills and training. Certainly they have a very robust and effective apprenticeship scheme, which guarantees that most apprentices will be training for a minimum of three years. Almost every German employer invests strongly in training. In the UK around a third invest almost nothing. The bedrock of the German system is a strong partnership between unions and employers. The Minister, who is a strong supporter of Unionlearn, was impressed. Equally, German employers and Trades Unions were very interested in the UK Union Learning Fund, Union Learning Reps and Unionlearn.

New research from Germany has now allowed us to put a value on training to the UK as a whole. We already knew from surveys and academic research here that investment in skills is crucial for business. Unionlearn's own research has shown that where unions have supported training, employers have seen a more motivated workforce and in 50 per cent of cases this has led to increased investment by the employer. We have also seen across many companies that once you get people back into the habit of training and education they continue to go back for more.

A report published towards the end of 2011 looked at money and time spent on vocational training to ascertain exactly what workplace learning means to the wider economy. The research, published by the Institute for the Study of Labour (IZA) in Bonn shows that every hour spent on training the workforce accelerates growth of GDP by 0.55 per cent. It's quite a statistic that such a relatively small amount of training time can have such an impact on the wider economy. To put it simply, if British workers got two hours more training per year we would move from recession to 1% growth.

It does not come as a surprise that training is so important and that its impact can be so vital, we know its value to businesses and the value of the individual employee. But it will perhaps surprise many people at how much growth is possible in the wider economy by investing in skills. It is important to make sure we are clear on how training is being assessed in the report. The authors' definition of vocational training is that it must be of substance. Training must be a genuine skills programme that delivers real benefits to the learner and do more than just to comply with the basic statutory requirements or just give people a couple of hours in a classroom. The financial and productivity benefits are only going to be gained from those courses and training schemes that genuinely widen the skills base and provide real benefit to the employee.

The report also shows that countries (like Germany) which have much more training, where it is embedded in the workplace will also use that training more effectively. For example they will be better at utilising the training they have, better at planning it and the quality of training will be higher. It is a clear lesson that once training becomes a part of the way we work, more widespread and accepted, then the impact of the training and its quality improves.

The report's assessment of the UK showed we were in the group of countries with the lowest time investment in skills. On average UK employees spend less than 8 hours a year on training, alongside Greece, Italy and Portugal. It puts the UK below Germany and France on 8-12 hours a year and well below Luxembourg and Sweden at over 15 hours a year. In many sectors the gap is far wider. The UK must increase the quality and quantity of workplace training as part of the strategy to move out of recession. We should be moving up this league table and putting ourselves alongside France, Germany and Sweden if we are going to grow our economy and become more competitive. We also need to bring learning opportunities to the 13 million UK employees who never receive training.

The impact of these findings clearly shows that our system is not only doing a disservice to our workforce but massively damaging our economy too. We need to learn the German lesson. Get every employer involved and rebuild the UK skills system on a foundation of employer/union partnership.

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About the author

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